



House of Representatives

General Assembly

File No. 408

January Session, 2015

Substitute House Bill No. 6715

House of Representatives, April 2, 2015

The Committee on Higher Education and Employment Advancement reported through REP. WILLIS, R. of the 64th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT REQUIRING CONNECTICUT TO PARTICIPATE IN THE
STATE AUTHORIZATION RECIPROCITY AGREEMENT REGARDING
DISTANCE LEARNING PROGRAMS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2015*) Not later than January 1,
- 2 2016, the Office of Higher Education shall enter into a multistate or
- 3 regional reciprocity agreement for purposes of enabling the state and
- 4 Connecticut institutions of higher education to participate in a nation-
- 5 wide state authorization reciprocity agreement (1) establishing
- 6 uniform standards for distance learning programs across states, and (2)
- 7 eliminating the need for a state participating in such state
- 8 authorization reciprocity agreement to assess the quality of a distance
- 9 learning program offered by an out-of-state institution of higher
- 10 education through such participating state's authorization, licensing
- 11 and accreditation process. Notwithstanding the provisions of part III of
- 12 chapter 185 of the general statutes, an out-of-state institution of higher
- 13 education that participates in such state authorization reciprocity

14 agreement may operate in the state, upon the Office of Higher
15 Education entering into such multistate or regional reciprocity
16 agreement, in accordance with such uniform standards.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2015</i>	New section
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HED *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$
Higher Ed., Off.	GF - Cost	298,025	268,025
State Comptroller - Fringe Benefits ¹	GF - Cost	95,862	95,862
Board of Regents for Higher Education	GF - Savings	30,000	30,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Office of Higher Education (OHE) to enter into a multistate or regional reciprocity agreement in order to allow the state and Connecticut higher education institutions to participate in a nation-wide state authorization reciprocity agreement. The agreement must (1) establish uniform standards for distance learning programs across states and (2) eliminate the need for participating states to assess the quality of a distance learning program offered by an out-of-state institution. The oversight for Connecticut includes 31 independent institutions and 18 public institutions, as well as those institutions that fail to be part of the reciprocity agreement in their state. It is estimated that there are approximately 7,000 institutions of higher learning in the United States which could potentially enter the state through the nationwide reciprocity agreement².

The bill will result in an annual cost of \$248,025 for Personal

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 38.65% of payroll in FY 16 and FY 17.

² National Center for Education Statistics

Services, \$20,000 for Other Expenses (technology, office machine rental, telecommunications, and postage), and an initial start-up cost of \$30,000 (computers, software, and office equipment).

It is anticipated that by requiring OHE to develop, implement and manage a system to oversee reciprocity agreements concerning the licensure of distance learning programs, OHE would require three additional full-time staff, and one part-time staff, including: one Senior Associate with an annual salary of \$72,948, and two Senior Consultants with an annual salary of \$63,665, and one part-time position, an IT Support Senior Consultant with an annual salary of \$47,747, for a total of \$248,025 plus corresponding fringe benefits of \$95,862.

Finally, the bill results in a savings to the Board of Regents for Higher Education of \$30,000 as Charter Oak State College would no longer be required to pay fees for the licensure of their programs in other states.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, except for the one-time costs identified above.

Sources: National center for education statistics

OLR Bill Analysis**sHB 6715*****AN ACT REQUIRING CONNECTICUT TO PARTICIPATE IN THE
STATE AUTHORIZATION RECIPROCITY AGREEMENT
REGARDING DISTANCE LEARNING PROGRAMS.*****SUMMARY:**

This bill requires the Office of Higher Education (OHE), by January 1, 2016, to enter into a multistate or regional reciprocity agreement to allow Connecticut and its higher education institutions to participate in a nationwide state authorization reciprocity agreement on distance learning programs. The agreement must (1) establish uniform standards across states and (2) eliminate the need for participating states to assess the quality of a program offered by an out-of-state institution. (Presumably, the participating state would accept the authorization that an institution obtains from its home state.)

By law, a person, school board, association, or corporation must be licensed by OHE to operate a program of higher learning or higher education institution in Connecticut (CGS § 10a-34 et seq.). The bill allows out-of-state institutions that participate in the reciprocity agreement to operate in Connecticut, without licensure from OHE, in accordance with the agreement's uniform standards. They may do so upon OHE entering into the agreement.

EFFECTIVE DATE: July 1, 2015

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 14 Nay 3 (03/19/2015)